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EXECUTIVE SUMMARY
THURSDAY, JUNE 25, 1992

THE CANCER DETECTION CENTER (CDC)

BACKGROUND

Since 1948, the Cancer Detection Center (CDC) at the University of Minnesota has provided comprehensive cancer screening services to asymptomatic participants.

From its inception, medical practitioners have assailed the CDC believing it would spirit their patients away and into the University system.

The CDC has a distinguished record of serving non-traditional participants and historically has provided a "side door" into the Department of Surgery.

Over the last three years, CDC participation has fallen at a precipitous rate coinciding with modest price increases.

The CDC is capable of seeing 6,500 participants per year (25 per day X 260 days). The single largest cohort of participants has come from the Colon Cancer Control Study launched in 1976.

The examination fee represents only a fraction of actual costs. For years, the CDC has knowingly operated at a deficit, setting the fee "artificially low" so as not to serve as a barrier to anyone reasonably willing to bear responsibility for his/her own health.

The current examination fee of \$180 includes: a general physical examination and medical history; proctosigmoidoscopy; gynecologic or urologic evaluation; otolaryngology evaluation; a battery of blood tests (SMA 24); and a personal report to participants and their physicians.

Studies not covered in the fee include: Flexible Sigmoidoscopy (\$135); Chest x-ray (\$65.70); Mammography (\$50) and Pap Smear (\$10).

The single most important factor to increase participation within the CDC is: PRICE SENSITIVITY, coupled with correcting the mistaken perception that "nice Minnesotans" get someone else to pay for their health care.

MARKET

Traditionally, the CDC has appealed to individuals over the age of 40 with private health insurance.

State Law now mandates all insurance companies doing business in Minnesota (excluding Medicare) to pay for mammograms and pap smears. We are seeing a growing cadre of "health insurance poor" for whom medical insurance is an expensive luxury.

Several potential groups the CDC might market services to include:

- Individuals with private health insurance (approximately 10%) that would pay for necessary therapeutic intervention. (Hospitals are reluctant to give up this lucrative market share.)
- Individuals over the age of 65 eligible for Medicare. The CDC would:
 - have to get a Medicare number
 - determine that the Medicare reimbursement was adequate to cover the cost of services.
- Individuals under 65 who have no health insurance and pay for service out of pocket.
- Individuals, as part of a fraternal organization, who welcome the social aspects of a group experience.
- Individuals who's employer would mandate their participation.

800 NUMBER

Based on a limited review, the CDC can secure an 800 number for \$250; a customized number is an additional \$400. Carrier installation charges maybe involved plus the cost of the long distance telephone calls.

Currently there is a 24 hour toll free number for physicians to use at the University (1-800-888-8642).

1-800-U-CANCER is already assigned to the Comprehensive Cancer Center in Los Angeles, California. Of the approximately 40 other permutations tried, most have already been assigned to health care providers in Southern California or Florida.

One important consideration is staffing such a number on a 24 hours basis. If the hospital is unable to provide this service, it is possible to have an 800 number transferred to a telephone answering service during the evenings and weekends but this would require an additional monthly fee.

RADIO ADVERTISING

The preparation of six, 15-second radio spots to air on WCCO and KSTP can be accomplished in an aggressive matter. Concerns are four-fold:

- A large advertising budget (> \$50,000) does not guarantee an increase in participation.
- Abbott Northwestern, United, and Health East are currently airing their cancer spots on WCCO. Unless so unique, a new radio spot for the CDC might create market confusion in the mind of potential participants.
- The University Comprehensive Cancer Center will start their public relations campaign shortly. Certainly the CDC message will be confused with the Comprehensive Cancer Center message.
- Effective advertising is temporal.

MARKET PENETRATION

The Cancer Detection Center will attempt to recruit 3,800 new participants by December 31, 1992. This will bring the CDC to a level of 5,000 for 1992. This goal would require a substantial capital expenditure since current unmet capacity is not great enough to accommodate new participants over the next six months.

Based on informal surveys conducted the week of June 15th, CDC harbors a series of negative perceptions within the community.

- Continued distrust within the medical community.
- Awkward parking and inadequate signage.
- The current clinic location creates a divided administrative/clinical setting and gives the impression the clinic is little more than "a spill over" into the hallway.
- A "mob clinic mentality" exists that leaves participants unsettled.
- Even modest price increases have been met with complaints.

FINANCIAL INFORMATION

Some believe the Department of Surgery ought to drop the price of the CDC exam, further subsidizing participants in order to generate new patients for the Department of Surgery.

If the cost of the exam was dropped to its 1986 level of \$100 in order to recruit 3,800 new members it would cost the Department of Surgery \$380,000 a year. Over a three year period, this figure would approach \$1 million which is both unrealistic and unfair since the great majority of new patients identified would be referred elsewhere.

It may be possible to offer a partial subsidy, say \$50 per participant and deal with highly organized groups such as the Masons, or the American Legion. (Lower the price from \$210 including a \$10 rebate for early return of the HemaQuant Study to \$150 and increase the participation from 3,800 to approximately 5,000 for a total CDC participation of approximately 6,000.)

While not opposed to the idea of rebates and subsidies, which I believe have merit; I am again concerned with the issue of fairness. Existing CDC participants would pay more and the majority of patients will be referred either outside or to medicine subspecialty clinics. Subspecialty colleagues and the University hospital ought to help foot the bill for this service on a prorate basis.

While there has not been sufficient time to conduct a complete survey among hospitals offering cancer programs, a similar exam would cost \$1,200 at the Mayo Clinic and would approach the \$550 to \$700 range in Twin City Area hospitals.

BUDGET

Production Expenses	\$35,000 and Up
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Professional Talent	Pro-Bono
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Music Rights

Radio Air Time:

**WCCO \$1,400.00/day X 5 days/week
 X 8 weeks \$56,000**

KSTP \$300.00/day X 5 days/week
X 8 weeks \$12,000

WCAL \$150.00/day X 5 days/week
X 8 weeks \$ 6,000

Capital Improvements:

New Flexible Sigmoidoscopy X 2	\$ 8,000
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Other

Staff Expenses:

1 MD

2 RN's